Your Guide to Repayment

Everything you need to know about repaying your PEAKS private student loan
Your Responsibility as a Borrower

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Your Responsibility as a Borrower

You are required to pay your private loan according to the terms of your signed promissory note and repayment schedule. This includes any interest and fees that have been assessed according to the terms of your original note. Full repayment is required even if you...

- have not completed your program of study
- do not complete your program within the regular completion time
- do not obtain employment upon completion of your degree
- are dissatisfied with your education
- do not receive your monthly billing statement from your loan holder/servicer

Contact Information

If you have questions regarding your loan, please call 866-747-0273

Email us at info@peaksloan.com  Fax us at 858-451-0022

Mail correspondence to:  Mail payments to:
PEAKS Loan  PEAKS Loan
c/o First Associates  c/o First Associates
PO Box 503430  PO Box 504125
San Diego, CA 92150-3430  San Diego, CA 92150-4125

Contact us via email at request@peaksloan.com if:
- Your address, phone number or name changes
- You want to request a forbearance
- Your eligibility for a forbearance changes
- Any change occurs in circumstances affecting the repayment of your loan(s)
You Are Not Alone

According to a study by the U.S. Department of Education* 55% of undergraduates receive some type of financial aid at an average of $6,206 annually. More than 60% of graduate students receive an average of $13,255.

Paying your student loan is a great way to attain a good credit history that will follow you for years. Failing to repay your loans can spoil your credit rating and even your future. You may have the best intentions. However, if you are having difficulty repaying your loan, contact us. If you fail to repay your loan according to the terms of your Promissory Note, you are considered in default with serious consequences. And remember, billing statements are a courtesy and not required by law to be sent. It is your responsibility to pay your loan in full.

This booklet can help you understand your repayment responsibilities, options, forbearance and much more. So, let’s get started.

*Source: National Center for Education, US Dept. of Education
What To Do Right Now

Before you do anything, make sure PEAKS Loan has your latest information.

Be sure to confirm that we have your current (or, if it’s about to change, future) name, mailing address, telephone number and e-mail address.

Are you still in school or on active duty in the military? If so, we need to know immediately!

Or do you have other circumstances that qualify you for forbearance?

Are you able to make your payments on time? Do you have a change in circumstances? Before you miss a payment, Call Us! 866-747-0273

If warranted, apply for forbearance, which will allow you to stop making payments for a set period of time. (However, once you’re in forbearance, you must also notify us of any subsequent changes in your circumstances that could affect your eligibility for that forbearance.)

Repayment Terms

There is no penalty for prepayment for your PEAKS Private Student Loan. For all PEAKS private loans, the following repayment terms apply:

• Up to 10 years to repay (time spent in forbearance extends the maximum repayment period).
• A $50 minimum monthly combined payment on all your PEAKS loans.
• A $10 late charge for any part of an installment payment not made within 15 days after it becomes due. A late charge will be the lesser of 5% of the installment, or $10.
• Payments are applied first to any outstanding fees including late charges, then to any outstanding interest, and then to the outstanding principal balance.
Keep Payments on Track

Sign up for Auto-Debit and Never be Late Again

If you authorize us to automatically debit your monthly payments from your bank account—also known as Electronic Funds Transfer (EFT)—we will automatically withdraw the amount due each month on your due date from your checking or savings account.

Your account balance(s) must be current (i.e., not delinquent) for you to be eligible to be set up for EFT. To have us automatically deduct your payments from your checking or savings account, you must complete the Application for Electronic Funds Transfer. To get the form, visit www.peaksloan.com and click on the “Forms” link. You can mail or fax the completed form to us at the number on the letterhead.

Note: Currently we only accept EFT payments from banks in the U.S. Federal Reserve network that accept ACH transactions.

Other items to note about making auto-debit payments:

• You may be responsible for manually sending a payment as well as paying any bank fees and/or late charges.

• If there are insufficient funds or a scheduled payment is denied a second time, we will cancel your auto-debit arrangement and you will be responsible for manually sending a payment as well as paying any bank fees and/or late charges.

• During any type of forbearance, your monthly payments will be suspended, so your auto-debit payment is suspended as well. To re-establish Auto-Debit Payment following such a suspension, you must contact us and submit a new Application for Electronic Funds Transfer form.

• If you change banks, you must submit cancellation instructions to us to cancel your existing Auto-Debit arrangement and then submit a new Application for Electronic Funds Transfer form with your new bank information for processing.

Cancellation instructions: Phone cancellations must be received three business days before the next payment due date. Written cancellations must be received 14 business days before the next payment due date. You must make payments manually until you receive confirmation that an EFT payment method has been set up with your new account information, which may take up to two billing cycles.
Repayment Options

EasyPay Equal Plan

Your repayment plan requires you to pay a fixed or standard amount each month for up to 10 years, with each payment including both interest and principal. The payment amount may change periodically when interest rates on your variable-rate loans change.

Forbearance

If you find yourself struggling to make your payments, you may be eligible to request a forbearance, allowing you to temporarily stop making payments.

Loan forbearances are available at the discretion of the lender.

You will receive notification of the approval or denial of any forbearance request. Continue making payments on your loans until you are notified that your request has been approved.

If your account is delinquent, the forbearance can be used retroactively to cover the period of delinquency. However, any negative reports that have already been submitted to the U.S. consumer reporting agencies will not be removed. So be smart and apply before it is too late.

Interest on your loan continues to accrue during forbearance. You have the option to pay any accrued interest at any time, but you are not required to. Any unpaid accrued interest is capitalized (added to the principal) monthly during any forbearance period, and any remaining accrued unpaid interest is capitalized at the end of the forbearance period. This will increase the total interest paid over the life of the loan and the total cost of the loan.

Each month spent in forbearance will correspondingly extend the remaining months of your repayment period.

After forbearance, the loan will be re-amortized if necessary to calculate the monthly payment amount required to pay off the loan within the time remaining in the repayment period.

- You will receive information immediately prior to the expiration of the forbearance period regarding your next payment due. Regular payments will resume the month after the forbearance ends and continue until the account is paid in full.

- While you are in any type of forbearance, the auto-debit payment plan and the associated interest rate discount are simultaneously suspended until you reestablish automatic payments by submitting a new application.
Forbearance & Deferment Options

The following payment postponement options are available for your PEAKS Private Student Loan:

**Economic Hardship Forbearance**, for borrowers who are having difficulty making their loan payments.

- It can be granted in increments of up to three months (3 months), for periods that collectively do not exceed twelve months (12 months) over the life of the loan.
- You do not need to provide any documentation of your income or expenses.
- You must request this forbearance, either over the phone or by using the Forbearance Request Form for PEAKS Private Student Loans available online. To get the form, go to [www.peaksloan.com](http://www.peaksloan.com) and click on forms.
- If your forbearance is approved, we will grant you a temporary cessation in payments, and the forbearance will be extended and/or backdated (not to exceed 6 months) to account for any amount currently due on your loans.

**In-School Forbearance**, for borrowers who are enrolled for at least 4 credit hours are considered in an “Interim Period” or In-School Forbearance. In-School Forbearance defers payments until you cease enrollment of at least 4 credit hours.

**U.S. Military Mobilization Deferment**, for borrowers who are U.S. military personnel and who are activated or reassigned to Active Duty for a period of more than 30 days as a result of a military mobilization.

- You can use up the U.S. Military Mobilization Deferment on all private loans during Qualifying Duty service and during the 13 months following the conclusion of the service, or until the date you return to an enrolled student status - whichever is earlier.
- Qualifying Duty service is defined as a period which you are serving as active duty during a war or other military operation or national emergency.
- The request may be made either over the phone or in writing.
- In order to be eligible, the Servicer must receive proof of military mobilization or a call to Active Duty with a beginning date and end date (i.e., a copy of your military orders).
- During the approved Deferment, you will receive a quarterly statement providing you with the option to make interest payments.
Understanding your Monthly Statement

Each month, we will send you an e-mail advising you to review your online statement. Each of the following items explains one aspect of your statement.

A) Your PEAKS Private Student Loan account number

To protect your privacy, please include your 9-digit PEAKS Private Student Loan account number in all correspondence and when you use our automated telephone system, rather than your Social Security number.

B) Making your payment

Check Payment: Please use the coupon at the bottom of your monthly statement and include your 9-digit PEAKS Private Student Loan account number on your check or other form of payment. It is essential that your payments include your account number, and that they are sent to the address shown for payments. Payments must be made in U.S. dollars drawn on a U.S. bank account. Post-dated or third-party checks, or checks drawn on foreign banks, are not acceptable forms of payment, and will be returned unprocessed if received. Processing will be delayed if payments are sent to the correspondence address shown on the letterhead. Payments should be mailed to:

PEAKS Loan  
c/o First Associates  
PO Box 504125  
San Diego, CA 92150-4125

Payment Operations

Online Payment: You can also make a payment online using our free web payment service. Just log into www.peaksloan.com and click on the link to make a payment. After confirming your e-mail address, you will need to enter information about your savings or checking account (printed on the bottom of your checks). For your convenience, you will have the option to store this information for future use.

Any payment made prior to midnight (U.S. Pacific Time) will be credited to the account effective the same day. Online payments made on a Friday prior to 8 p.m. PST will be credited to the account as of that date and posted to the account on the next business day. Payments made after 8 p.m. PST will still be credited to the account as of that date, but will be posted to the account in two business days. So, if you’re getting close to your payment due date (or if you’re just out of stamps), this is a convenient and quick way to make your payment.
AutoDebit Payment: If you sign up for the Auto-Debit Payment method – also known as Electronic Funds Transfer (EFT) or automatic monthly payments, we will automatically withdraw the amount due each month on your due date from your checking or savings account.

C) Due Date

You should submit your payment so that it is received by us on or before your due date.

D) Your Payment Amount

Your monthly payment amount depends on the type of loan you have, the amount you owe, and the amount of time remaining in your repayment period. Your payment amount can change due to fluctuations in the interest rate, capitalization of interest at the end of a period of forbearance, and other circumstances — such as a large lump-sum or partial payment — that affect the balance of your loan.

Remember, you can always pay more than the minimum to reduce your principal balance more quickly. (However, any fees you owe, including late charges, will be paid first, then accrued interest, and finally principal.) If the additional amount is less than a full monthly payment, it will be automatically allocated to your loan(s) as a partial payment. If you continue to make additional payments, the additional partial payments will accumulate to equal a full month’s payment, and will eventually advance the due date one month. If you send additional funds and have more than one loan with us, the funds will be distributed across your loans unless you provide special instructions on how you’d like these funds applied. There is no penalty for prepayment.

E) The Interest Rate

The interest rate will vary. It will equal the Index described below, rounded up to the nearest one-eighth of one percent (0.125%), plus the per annum percentage margin assigned when the loan was originated. The Index for any month is the U.S. Prime Rate, as published by The Wall Street Journal on the seventeenth day of the immediately preceding month. The Variable Rate may change, effective on the first day of any month, if the index changes. Interest will accrue at the variable rate and will be calculated on a daily simple interest basis, according to the outstanding principal balance each day during the term of the loan. The daily interest rate will be equal to the annual interest rate in effect on that day, divided by 365.25 days and will not vary in leap years.
The Consequences of Delinquency & Default

Delinquency
Delinquency occurs if you miss a loan payment, make less than a full payment, or make your payment after the due date. Your delinquency may be reported to the major national U.S. consumer reporting agencies, and may be reflected on your credit report for seven years. A poor credit history could make it difficult for you to borrow money for a car or home, or require you to pay higher interest rates on future loans, making other credit more expensive.

Late charge
Charges may be assessed if payments are made after the due date or for less than the full amount due. Your loan agreement allows the servicer to assess a late charge of $10.00 for any part of an installment payment, other than late charges assessed on a prior monthly payment that is not paid in full within fifteen days (15 days) after it becomes due.

Default
Default is declared on student loans when a borrower has failed to make payments over a period of time. The consequences of default are very serious. One or more of the following actions may occur if you default on an education loan:

- The lender or holder of your loan may declare the entire unpaid balance, including interest, immediately due and payable.
- The default will be reported to the national U.S. consumer reporting agencies, and the resulting negative credit history could make it extremely difficult for you to obtain credit in the future.
- The default may be reported to your school.
- You may be unable to receive assistance from U.S. federal student aid programs.
- You may be required to pay all charges and other costs (including reasonable attorney’s fees) permitted by law for the collection of your loan.
- You may be subject to legal action.
- Wages may be subject to garnishment.

Death
The PEAKS Private Student Loan is not cancelled due to death or disability. Acceptable documentation of a death is a certified copy or a photocopy of the Death Certificate. Your estate will be responsible for paying off any outstanding balance on the loan.

Bankruptcy
The PEAKS Private Student Loan is an education loan. If you file for bankruptcy, you may still be required to pay back this loan.
Staying Organized

Maintaining accurate, well-organized records of your financial activities will benefit you in managing your loans and achieving your financial goals. Make your record-keeping system simple to use, sustainable over the long term and secure from loss or damage due to fire or theft.

Here are two important steps to take:

1. Create a master list of your loans.
   Have the following information readily available about each of your loans, so you can plan for and manage the repayment process:
   - Your account number
   - Type of loan/loan name (e.g., “PEAKS Private Student Loan — undergrad”)
   - Loan period (i.e., February 1, 2010 – April 30, 2010)
   - Lender name, address, and phone number
   - Guarantor name, address, and phone number (if applicable)
   - Loan holder name, address, and phone number, if not the original lender (If your loan is sold to a different entity, that entity is called the loan holder.)
   - Servicer name, address, and phone number
   - Payment mailing address
   - Amount borrowed
   - Monthly repayment amount
   - Length of repayment period and final estimated payment date
   - Estimate of total finance charges

2. Keep copies of important loan documents.
   Make sure you keep copies of the following for each loan:
   - Application
   - Loan Agreement
   - Disclosure Documents
   - Notifications of loan transfer (change in lender or loan holder) and/or change in servicer
   - Repayment schedule
   - All correspondence both to and from the loan holder/servicer
Useful Websites and Other Resources

www.bankrate.com — Information on more than 100 financial products, such as mortgages, credit cards, automobile loans, money market accounts, certificates of deposit and banking fees, and a host of articles on many aspects of personal finance.

www.salary.com — Information on typical salaries in a variety of locations around the U.S. for a myriad of jobs, as well as cost-of-living information and articles.

www.annualcreditreport.com — You can obtain a free annual credit report from each of the three national consumer reporting agencies from this site.

www.myfico.com — A website on credit scoring where you can request your credit score and learn how to improve it.

www.nfcc.org — The National Foundation for Credit Counseling is the nation’s largest and oldest national nonprofit credit counseling network, offering debt counseling, debt management plans, money management education and homeowner counseling and education.